* IN THE HIGH COURT OF DELHI

\+ CS (OS) No. 860 OF 2004

% Reserved On : 25.08.2005

Date Of Decision : 02.12.2005

M/S. N. RANGA RAO & SONS... ... PLAINTIFF
through: Ms. Pratibha M. Singh,
Advocate.

- V E R S U S -

ANIL GARG & ORS. ... ... DEFENDANTS
through: Mr. S.K. Bansal with
Mr. Suwarn Rajan,
Advocates.

CORAM :

HON'BLE MR. JUSTICE SANJAY KISHAN KAUL

1. Whether the Reporters of local papers may be allowed to see the judgment? Yes
2. To be referred to Reporter or not? Yes
3. Whether the judgment should be reported in the Digest? Yes

SANJAY KISHAN KAUL, J.

1) The colours of a rainbow are striking and universal. A combination of colours creates its own kaleidoscope. A colour is not the property of any individual, but colour combinations used in a particular pattern may create identification with a product.

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2) "What's in a name? That which we call a rose by any other name would also smell as sweet", said William Shakespeare. There is but still a tendency to copy the names because a rose is a rose. An amalgam of colour combinations, names and logos may create a total identification with a product and the allegation of copying the same has given rise to the present litigation.

3) The plaintiff is a registered partnership firm engaged in the business of manufacture of incense sticks or agarbathies. Initially, the business was established as a proprietorship concern in 1948 by the father of the present partners of the plaintiff firm and is stated to be now a part of the RANGSONS GROUP started by late Shri N. Ranga Rao. The diversified business now carried on by the Group is stated to not only include the business in question, but also other businesses like electronics and education, though the flagship firm of the Group is remain the plaintiff concern.

4) The plaintiff initially is stated to have adopted the brand-name CYCLE BRAND AGARBATHIES and CYCLE THREE-IN-ONE AGARBATHI which is stated to remain the largest selling brand of agarbathies in India. However, apart from the said brand, the plaintiff is also manufacturing number of other brands such as LIA, SANDALUM & CHANDANAM, PARAMPARA, INDIAN BRIDE, PEHCHAN, CYCLE POPULAR, ISHTA, ALL

IN 1, NR YAGNA, RHYTHM AMBER & ORIENT, BANSURI, MOODS, PRESTIGE, HONEY ROSE, FLUTE INIMAI & NAVIN, FAIRY TALE AND RAHASYAMAI.

5) The plaintiff claims to be a pioneer in the agarbathi industry with various innovating marketing techniques as also packaging. The plaintiff is, thus, stated to have *inter alia* introduced the concept of three fragrances in one pack, professionalise techniques for marketing and management, hexagonal and rectangular packaging. The plaintiff is stated to have won export awards both from Union of India and Government of Karnataka.

6) The plaintiff claims to be marketing its products all over India and spends money in creating consumer awareness and brand building. The Marketing and Sales Division under M/s. Prosperity Marketing Services (P) Ltd., Mysore is stated to employ more than 250 sales and marketing people and the amount spent on advertisements alone for the financial year 2002-2003 is stated to be Rs.389.7 lakhs.

7) The plaintiff claims that its strength lies in making innovative and original brands of fragrances keeping in mind the preferences and requirements of consumers across classes. Thus, some of the agarbathi products are more used during prayer or pooja, while others are used for creating ambiance or atmosphere. These cater

to different times of the day or different types of moods. In this process of innovation, one of the range of products, which was introduced by the plaintiff in the market is LIA range of products. This name is stated to have been adopted in 2001 and copies of some purchase orders have been filed for the relevant period.

8) The LIA range of agarbathies consists of variety of exclusive fragrances including ROSE LIA, FRESH / SEASHORE LIA, SANDAL / CHANDANAM LIA, JASMINE LIA, NATURE'S GIFT LIA, VIBRANT / RAINBOW LIA, SPICE WORLD LIA, FRUIT LIA.

9) The mark LIA is stated to be distinctive and arbitrary in nature as the word 'LIA' has no meaning. The word 'LIA' is also stated to be uncommon in agarbathi market where most brands are based on the name of Gods or words associated with worship and rituals. The word 'LIA' is, thus, stated to be extremely contemporary and is claimed to have a sophisticated ring to it which sets it apart from other brands in the agarbathi market. One of the features of the marketing of these agarbathies is stated to be the introduction of packs of 35 sticks range at Rs.15/-. This packaging is stated to be distinctive as compared to most agarbathies in the market sold in boxes of 20-22 sticks per box and offered @ Rs.10/- per box.

10)The get-up and colour scheme of this range of LIA is stated to be distinctive and the packaging cartons are of different colours depending on each colour conjuring associations with the concerned fragrance. Despite this, there is a uniformity in the scheme of the base consisting of pastel shade softening to whitish towards the centre of the box where the logo / trademark of LIA is printed. The LIA trademark is written in sloping font at slightly upward angle with a line underscoring the word 'LIA'. The text regarding the name of fragrance, the brand-name of the product and the general effect and the fragrance is printed below the LIA logo. A motif of the plant / location associated with the fragrance is printed above the LIA logo. Small semi-circular and ribbon banners containing text are also printed on the cartons and on the side of the cartons, the brand-name is printed in Devnagiri, Tamil, Kannada, Telugu and Malayalam scripts. In view thereof, it is stated that the labels are extremely attractive and eye-catching and have gained enormous reputation in the market. The impact is composite consisting of the brand-name LIA, the colour scheme of the cartons and the various shades used for each fragrance, the labeling, the design lay-out as well as the unique price range, as such the plaintiff claims to own all the common law rights in the LIA brand-name and all the various products in the said range.

The art work in lay-out plan of the cartons are stated to have been designed by professionals for the plaintiff firm and the rights are stated to vest in the plaintiff under Section 17 of The Copyright Act, 1957.

11)The plaintiff has set out in the plaint the registration details of the artistic works on the carton for several of the LIA range of products, which have been registered on 22.07.2003 for SANDAL, JASMINE, ROSE, SPICE, FRUIT AND FRESH LIA range. The plaintiff has also stated that an application is pending before the Trademark Registry for the mark and label LIA for agarbathies in Class 3.

12)In a short span of time of marketing of this product under LIA range, the same is stated to have become extremely popular and earned enormous goodwill and reputation. The turnover, as certified by the Chartered Accountants, for the two financial years has been given as under :-

Year	Turnover for LIA range of products
2002-2003	Rs.243.67 Lakhs
2003-2004	Rs.413.17 Lakhs

13)The plaintiff claims to have large presence in Delhi apart from all over the country including for the LIA range of products. The products are stated to have been advertised in major national and

regional dailies and the expenditure for the financial year 2003-2004 for this range of products is stated to be Rs.12.39 Lakhs. The sales are stated to have been rising and the products identified with the packaging used in connection with the LIA products, which is claimed to be the single source identifier of the said product.

14)The plaintiff is aggrieved by the products sold by the defendants in and around Delhi under the name of DIA in cartons which are claimed to be identical to that of the plaintiff's LIA cartons. The DIA range of agarbathies of the defendants is being sold in identical fashion in respect of six of plaintiff's LIA products. Defendants No. 1 and 2 are the Directors of defendant No. 3 company, while defendant No. 4 is the Sales and Marketing Division of defendant No. 3. The mark is stated to be deceptively similar to the plaintiff's LIA mark - both phonetically and visually and the essential and distinctive features of the packaging of LIA agarbathies is stated to have been copied. There is also commonality in the choice of names, price and quantity of the sticks per pack and theme and layout packaging is claimed to be more than a mere co-incidence.

15)The plaintiff has emphasized the fact that the defendant claims to have an address, which is printed on the side of the carton, as

follows :-

Divya Incense (India) Pvt. Ltd.
13, Divya Mansion, 1st Main Road,
Srirampuram, Saibaba Nagar,
Bangalore - 560 021.

16)The plaintiff claims that on investigation, it has been revealed that there is no such office at the given address, but that there is a building called Keerthi Mansion where there is a board carrying the name Keerti Parimala Works. The goods of the defendants are stated to be manufactured at NOIDA unit and the defendants also have a showroom in Gaziabad. The defendants' cartons have fragrance names printed on the side of the carton in Devnagri, Tamil, Kannada and Telugu scripts even though the business of the defendants and their sales really run in U.P. and Delhi. This is stated to be deliberately done to cause deception so that the public assumes that the products of defendants are actually of the plaintiff.

17)The plaintiff has also referred to the fact that the name DIA is not co-incidental since the defendants are trading under the name and style 'Divya Inscense (India) Pvt. Ltd.', thus, the word 'DIVYA' as such could have been chosen and the word 'DIA' is stated to have been chosen solely due to its visual and phonetic similarity to the plaintiffs LIA mark. The plaintiff claims that the test of unsuspecting consumer with average intelligence and imperfect

recollection must be applied and if the said test is applied, the consumer is bound to be deceived. The get-up of the two products is stated to be identical and the product is being sold at the unusual rate of Rs.15/- for 35 sticks in the same fashion as the plaintiff's product.

18)The plaintiff has set out in detail the distinctive features, which are common in the two get-ups and it would be appropriate to reproduce the same :-

A. ROSE LIA & ROSE DIA

LIA	DIA
Colour Scheme : Pink base softening to whitish towards the centre of the box, where the logo / trademark LIA is printed.	Colour Scheme : Pink base softening to whitish towards the centre of the box, where the logo DIA is printed.
LIA logo : "Lia" written in a sloping font at a slightly upward angle with a line underscoring the word "Lia" and a shadow effect provided.	DIA logo : "Dia" written in a sloping font at a slightly upward angle with a line underscoring the word "Dia" and a shadow effect provided.
Text with name and effect of Rose fragrance below LIA logo along with arrested ribbon banner.	Text with name and effect of Rose fragrance below DIA logo along with arrested ribbon banner
Picture of Roses above LIA logo along with semicircular banner.	Picture of Roses above DIA logo along with semicircular banner.
"ROSE LIA" printed in Devanagri, Tamil, Kannada, Telegu and Malayalam scripts on side of box.	"ROSE DIA" printed in Devanagri, Tamil, Kannada and Telegu scripts on side of box.

Price : Rs.15/- for 35 sticks.	Price : Rs.15/- for 35 sticks.

B. SANDAL LIA & SANDAL DIA

LIA	DIA
Colour Scheme : Yellow base softening to whitish towards the centre of the box, where the logo / trademark LIA is printed.	Colour Scheme : Yellow base softening to whitish towards the centre of the box, where the logo DIA is printed.
LIA logo : "Lia" written in a sloping font at a slightly upward angle with a line underscoring the word "Lia" and a shadow effect provided.	DIA logo : "Dia" written in a sloping font at a slightly upward angle with a line underscoring the word "Dia" and a shadow effect provided.
Text with name and effect of Sandal fragrance below LIA logo along with arrested ribbon banner.	Text with name and effect of Sandal fragrance below DIA logo along with arrested ribbon banner.
Picture of Sandalwood above LIA logo along with semicircular banner.	Picture of Sandalwood above DIA logo along with semicircular banner.
"SANDAL LIA" printed in Devanagri, Tamil, Kannada, Telegu and Malayalam scripts on side of box.	"SANDAL DIA" printed in Devanagri, Tamil, Kannada and Telegu scripts on side of box.
Price : Rs.15/- for 35 sticks.	Price : Rs.15/- for 35 sticks.

C. JASMINE LIA & JASMINE DIA

LIA	DIA
Colour Scheme : Light green base softening to whitish towards the centre of the box, where the logo /trademark LIA is printed.	Colour Scheme : Light green base softening to whitish towards the centre of the box, where the logo DIA is printed.

LIA logo : "Lia" written in a sloping font at a slightly upward angle with a line underscoring the word "Lia" and a shadow effect provided.	DIA logo : "Dia" written in a sloping font at a slightly upward angle with a line underscoring the word "Dia" and a shadow effect provided.
Text with name and effect of Jasmine fragrance below LIA logo along with arrested ribbon banner.	Text with name and effect of Jasmine fragrance below DIA logo along with arrested ribbon banner
Picture of flowering Jasmine plant above LIA logo along with semicircular banner.	Picture of flowering Jasmine plant above DIA logo along with semicircular banner.
"JASMINE LIA" printed in Devanagri, Tamil, Kannada, Telegu and Malayalam scripts on side of box.	"JASMINE DIA" printed in Devanagri, Tamil, Kannada and Telegu scripts on side of box.
Price : Rs.15/- for 35 sticks.	Price : Rs.15/- for 35 sticks.

D. VIBRANT / RAINBOW LIA & LAVENDER DIA

LIA	DIA
Colour Scheme : Mauve base softening to whitish towards the centre of the box, where the logo / trademark LIA is printed.	Colour Scheme : Mauve base softening to whitish towards the centre of the box, where the logo DIA is printed.
LIA logo : "Lia" written in a sloping font at a slightly upward angle with a line underscoring the word "Lia" and a shadow effect provided.	DIA logo : "Dia" written in a sloping font at a slightly upward angle with a line underscoring the word "Dia" and a shadow effect provided.

Text with name and effect of Vibrant fragrance below LIA logo along with arrested ribbon banner.	Text with name and effect of Lavender fragrance below DIA logo along with arrested ribbon banner.
Picture of flowers above LIA logo along with semicircular banner.	Picture of flowers above DIA logo along with semicircular banner.
"VIBRANT LIA" printed in Devanagri, Tamil, Kannada, Telegu and Malayalam scripts on side of box.	"LAVENDER DIA" printed in Devanagri, Tamil, Kannada and Telegu scripts on side of box.
Price : Rs.15/- for 35 sticks.	Price : Rs.15/- for 35 sticks.

E. FRESH / SEASHORE LIA & KEWDA DIA

LIA	DIA
Colour Scheme : Blue base softening to whitish towards the centre of the box, where the logo / trademark LIA is printed.	Colour Scheme : Blue base softening to whitish towards the centre of the box, where the logo DIA is printed.
LIA logo : "Lia" written in a sloping font at a slightly upward angle with a line underscoring the word "Lia" and a shadow effect provided.	DIA logo : "Dia" written in a sloping font at a slightly upward angle with a line underscoring the word "Dia" and a shadow effect provided.
Text with name and effect of "Fresh" fragrance below LIA logo along with arrested ribbon banner.	Text with name and effect of Kewda fragrance below DIA logo along with arrested ribbon banner.
Picture above LIA logo along with semicircular banner.	Picture above DIA logo along with semicircular banner.

"FRESH LIA" printed in Devanagri, Tamil, Kannada, Telegu and Malayalam scripts on side of box.	"KEWDA DIA" printed in Devanagri, Tamil, Kannada and Telegu scripts on side of box.
Price:Rs.15/- for 35 sticks	Price:Rs.15/- for 35 sticks

F. NATURE'S GIFT LIA & MOGRA DIA

LIA	DIA
Colour Scheme : Green base softening to whitish towards the centre of the box, where the logo /trademark LIA is printed.	Colour Scheme : Green base softening to whitish towards the centre of the box, where the logo DIA is printed.
LIA logo : "Lia" written in a sloping font at a slightly upward angle with a line underscoring the word "Lia" and a shadow effect provided.	DIA logo : "Dia" written in a sloping font at a slightly upward angle with a line underscoring the word "Dia" and a shadow effect provided.
Text with name and effect of "Gift" fragrance below LIA logo along with arrested ribbon banner.	Text with name and effect of "Mogra" fragrance below DIA logo along with arrested ribbon banner.
Picture of flower buds above LIA logo along with semicircular banner.	Picture of flower buds above DIA logo along with semicircular banner.
"GIFT LIA" printed in Devanagri, Tamil, Kannada, Telegu and Malayalam scripts on side of box.	"MOGRA DIA" printed in Devanagri, Tamil, Kannada and Telegu scripts on side of box.
Price:Rs.15/- for 35 sticks	Price: Rs.15/- for 35 sticks

19)In order to appreciate the visual impact of the two products, it is appropriate to incorporate in the judgment the respective cartons of the plaintiff and the defendants, which are as under:-

EXCLUSIVE
Fragrance
Rs.15
LONG THICK STICKS
lia

Lotus
lia
A combination of
Rose, which
gives you a divine
and fresh feel.
Natural
Rose
INCENSE STICKS

EXCLUSIVE
LONG THICK STICKS
lia
CHANDANAM
Divine
&
Soothing
SANDAL
Fragrance

Lotus
Dia
Natural
Sandal
INCENSE STICKS

EXCLUSIVE
Fragrance
LONG THICK STICKS
lia
JAS
Pure
&
Lively

Lotus
Dia
A combination of
jasmine, which
gives you a distinct
and lively feel.
Natural
Jasmine
INCENSE STICKS

EXCLUSIVE
Fragrance
LONG THICK STICKS
lia
RAINBOW

Lotus
Dia
Natural
Lavender
INCENSE STICKS
Dia

EXCLUSIVE
LONG THICK STICKS
lia
SEA SHORE

Lotus
Dia
Natural
Kewda

EXCLUSIVE
LONG THICK STICKS
lia
NATURE'S GIFT
Calm
&
Relaxing

Lotus
Dia
Mogra

20)The plaintiff claims that the aforesaid is not a mere co-incidental act, but is a deliberate act of copying in order to deceive the customers and to cause confusion amongst the mind of the said customers. The defendants are, thus, alleged to be attempting to ride piggy back on the reputation and fame of the plaintiff's products and it is not a case of one product being copied, but the entire range itself being copied. The defendants are further alleged to be attempting to utilise the substantial reputation and goodwill of the plaintiff and it is all the more because of the nature of the products where packaging forms an essential and integral part of identification of the products. The defendants' act is alleged to be a misrepresentation in the course of trade so as to cause deception about its origin or at least claim an indirect connection with the plaintiff.

21)The plaintiff alleges that the defendants' act amount to an attempt to pass off its goods as that of the plaintiff, an act of unfair competition, infringement of copyright of the plaintiff and dilution. The deception is stated to be bound to lead to confusion in passing off of the goods and even if the customer evinces interest in the defendants' products based on its get-up, the same would be 'initial interest confusion', which is also a species of passing off. The aspect of dilution is explained as a consequence

of utilisation by the defendants of the plaintiff's goodwill arising from the high quantity of products and sales standards and the act of the defendants would, thus, constitute dilution of the plaintiff's brand-name equity in the products.

22)The plaintiff has prayed for a decree of permanent injunction in respect of six packages of DIA products in question, which are similar to the LIA products; decree for delivery up; and for damages of Rs.21,50,000/-.

23)At the stage of the suit being entertained and summons being issued, the interim relief was granted in favour of the plaintiff and Local Commissioners were appointed, who submitted their reports. The situation on visit to the office of M/s. Divya Incense (India) Pvt. Ltd. at Srirampuram, Bangalore has been explained by the Local Commissioner and it was found that the premises belong to M/s. Keerti Parimala Works, who were manufacturers and suppliers of agarbathi. The said Works also did job work for M/s. Divya Incense. At some stage, M/s. Divya Incense had its office in the premises, but the same was stated to have been subsequently moved to another address at Bangalore at 19/2, 2nd Cross, Robertson Block, Ramachandrapuram, Bangalore. This office of M/s. Divya Incense was also stated to be managed by Mr. Sunder Raj, who was the proprietor of M/s. Keerti Parimala

Works. This new premises was also visited by the Local Commissioner. The six brand-names of DIA were manufactured there on job-work basis by M/s. Keerti Parimala Works, who purchased raw agarbathies from M/s. Divya Incense, Bangalore. The goods after packaging were then shipped to M/s. Divya Incense, NOIDA.

24)The Ghaziabad office of the defendants was also visited by the Local Commissioner who found the alleged infringing material. Similar position arose in respect of the Local Commissioner, who visited the office of the defendants at Ramesh Nagar and NOIDA, U.P.

25)The defendants have contested the suit and one of the principal defences is that the trademark of the defendants is not DIA, but LOTUS DIA. This is compared with the plaintiff's CYCLE brand. It is, thus, claimed that LOTUS DIA is a composite mark and, thus, there is no question of deception. It is also claimed that the word 'LIA' is not a trademark and is being used as only a quality mark. The defendants have claimed to have adopted the trademark LOTUS DIA bona fide during the course of business, which is distinct from the mark of the plaintiff. The word 'DIA' is stated to be an ordinary word used in reference to 'small earthern lamps', which is commonly used on religious occasions.

26)Insofar as the infringement of copyright is concerned, it is claimed that the trade dress and the artistic features are completely different for the two. The allegation of passing off has been denied and it has been claimed that the plaintiff has, in fact, come with unclean hands before the Court. The defendants claim to have achieved sales worth Rs.5.75 Lakhs in 2003-2004 and about Rs.10.15 Lakhs from 01.04.2004 to 0.08.2004. The defendants claim to have engaged the services of an artist at Bangalore to create the copyright and the labels / packaging. It is, thus, stated that the plaintiff is not entitled to any relief of injunction or damages.

27)On the pleadings of the parties, the following issues were framed :-

> "1. Whether the plaintiff is registered partnership firm and the suit is filed and instituted through a competent person and to what effect?
>
> 2. Whether the plaintiff is the proprietor both under the statutory and common law of the alleged trademarks and copyrights LIA and artistic works / copyright bearing the same in relation to its alleged products being incense sticks / agarbathies?
>
> 3. Whether the defendant impugned trademark 'LOTUS DIA' and its artistic features and labels are identical with or deceptively similar to the trademark / copyrights of the plaintiff sued upon amounting to infringement and passing off and to what effect?

4. Whether the plaintiff is guilty of suppressing material facts and making false statements and to what effect?

5. Whether the defendants have honestly adopted and used his subject matter trademark since 2003 in relation to incense sticks (agarbathies) and to what effect?

6. Whether the defendants, in the alternative, are entitled to benefit of honest and concurrent users and to what effect?

7. Whether the suit is barred by delay, acquiescence, laches, estoppel and waiver?

8. Relief."

28)On 25.08.2004, learned counsel for the parties agreed that the plaintiff would not claim damages and the defendants would not press the decision on Issue No. 1 relating to the competency of institution of the suit. It was also agreed that the documents filed by both the parties may be read in evidence without formal proof and no oral testimony was required for adjudication of the suit.

29)Parties were head at length and the matter in question is really one of legal issues to be examined in the context of the documents filed by the respective parties. The findings arrived at on the issues are set out hereinafter.

ISSUE NO.1	Whether the plaintiff is registered partnership firm and the suit is filed and instituted through a competent person and to what effect?

30)The issue relating to competency of the person to institute the suit has not been pressed by the defendants and it is, thus, not disputed that the suit has been properly instituted. It may be noticed that the details in respect of the partnership firm have also been set out with relevant supporting documents as also the authority of Mr. V. Ganesh, the constituted attorney of the plaintiff vide Power of Attorney dated 06.03.2004 to institute the suit. The issue is, thus, answered in favour of the plaintiff.

ISSUE NO. 2	Whether the plaintiff is the proprietor both under the statutory and common law of the alleged trademarks and copyrights LIA and artistic works / copyright bearing the same in relation to its alleged products being incense sticks / agarbathies?

ISSUE NO. 3	Whether the defendant impugned trademark 'LOTUS DIA' and its artistic features and labels are identical with or deceptively similar to the trademark / copyrights of the plaintiff sued upon amounting to infringement and passing off and to what effect?

31)Issues No. 2 and 3 have to be dealt with together as they relate to the proprietorship right of the plaintiff as also the allegation of the defendants infringing the right. The plaintiff has claimed that the mark LIA is completely distinctive mark, which is arbitrary in

nature and has no meaning. The name LIA is also stated to be extremely uncommon in the agarbathi market. The packaging is stated to have distinctive features and the general colour scheme and lay-out of the package is alleged to have an inalienable association with the plaintiff firm's LIA brand.

32)The composite effect of the shades used for each fragrance, the labeling, design lay-out as well as the unique price range is claimed to leave an indelible association with the plaintiff's firm's LIA brand. The plaintiff's claim is of ownership and of copyright in the LIA brand as also the ownership and the copyright in the entire get-up, the lay-out and trade dress. The application of the plaintiff before the Trademark Registry is stated to be pending and the plaintiff claims to have acquired goodwill in the mark based on sales figures. In this behalf, the annual turn over figures have been given, which is in the range of Rs.413.17 Lakhs for the financial year of 2003-2004.

33)The plaintiff has emphasized the fact that the name DIA is similar to LIA and the word 'DIA' has been chosen with dishonest intention of trading on the goodwill of the plaintiff's LIA. In this behalf, the crucial question would be whether the trade-name under which the defendants are marketing is actually DIA or LOTUS DIA as claimed by the defendant?

34)Learned counsel for the plaintiff sought to emphasize that the defendants could better have kept the word DIVYA which is the name of the company and the motive behind the name DIA was that phonetically and visually, it was similar to the word LIA. Not much can be made out from the plea of the plaintiff that the defendants have been selling agarbathies under different brand-names since even the plaintiff has admittedly been selling agarbathies under different brand-names.

35)Learned counsel for the plaintiff contended that the defendants had copied almost all the essential features of the plaintiff's get-up including the colour scheme, logo, text, picture / motif and the use of vernacular scripts on the side of the carton. The details of this as alleged by the plaintiff have already been set out herein-above in the tabular form.

36)A further plea raised by the plaintiff is based on the allegation against the defendants of attempting to mislead the customers as to the source / origin of the goods. This arises from the allegation made in the plaint as well as in the report of the Local Commissioner, who visited Bangalore, to show that while the business of the defendants was being carried on at U.P. and NOIDA, the use of the scripts of Devnagri, Tamil, Kannada and Telugu was only to give an impression as if the product was of the

plaintiff. The address given was also stated to be incorrect.

37)The allegation of the plaintiff is of identical get-up to confuse the customer in order to ride piggy back on the reputation of the plaintiff. In this behalf, a lot of emphasis has been laid on the fact that the product packaging is an extremely important factor in the consumers' purchase decision as it indicates to the customer not only the factual information about the product, but also an overall brand image. An allegation has also been made of the fact that the defendant has used 'TM' next to its name, which is normally used for reference to pending trademark registration, even though the defendants did not have a pending application for the name DIA at the time of filing of the suit. The significance of the addition of word 'LOTUS' is sought to be diluted in terms of the submissions made by learned counsel for the plaintiff on account of two factors - firstly, the defendants admittedly attempted to file an application for registration of the mark DIA in Class 3 and the application was not for LOTUS DIA and secondly, the primary ingredients of the defendants' mark is DIA and the word 'LOTUS' is an extremely insignificant part of the defendants' logo, get-up and packaging. Thus, merely by adding a prefix, the defendants cannot claim that the essential feature is different. In this behalf, it is also stated that the word 'LOTUS' being a name of the flower

is naturally associated with fragrance and is, therefore, descriptive and laudatory in respect of agarbathies and cannot serve as a trademark in relation to agarbathies as its use in this respect is descriptive of character and quality of goods. Thus, the word LOTUS even when used on conjunction with the word DIA, it is the word DIA which remains the essential feature of the mark.

38)The written synopsis of the plaintiff contain an elaborate list of judgments, but ultimately learned counsel for the plaintiff confined the reference to only some of the judgments on each of the propositions of law, which was arising for adjudication.

39)The first aspect to be considered, as noticed above, is the impact of the use of the word 'LOTUS' as a prefix to the word 'DIA'. Learned counsel for the plaintiff contended that when two marks have an overall similarity (whether phonetic or visually) and are used in relation to the goods of the same description, then the mere addition of a prefix or suffix is not of much significance as the test is of unwary purchaser of average intelligence and imperfect recollection, who would not split the words into their component parts, but would be deceived by their overall similarity. In this behalf, learned counsel referred to judgment of the Supreme Court in Ruston & Hornsby Ltd. v. The Zamindara Engineering Co., AIR 1970 SC 1649 = 1970 (2) SCR 222 wherein

it was held that in an action of this kind, the test as to the likelihood of confusion or deception arising from similarity of marks is the same both in infringement and passing off actions. Where the mark is identical, in an infringement action, the Court will not enquire whether the infringement is such as is likely to deceive or cause confusion. However, where the alleged infringement consists of using not the exact mark on the register, but something similar to it, the test of infringement is the same as an action for passing off. The Supreme Court was dealing with two words 'RUSTON' and 'RUSTAM'. It was held that the trademark is deceptively similar and the mere fact that the word 'INDIA' is added to the respondent's trademark of 'RUSTAM' is of no consequence and the appellant would be entitled to succeed in the action of infringement of the trademark.

40)Learned counsel for the plaintiff next referred to judgment of the Supreme Court in Parle Products (P) Ltd. v. J.P. & Co., Mysore, PTC (Suppl) (1) 346 (SC) to advance the proposition that if the overall visual impression from the colour scheme, arrangement of lettering, shape of container, packaging, get-up, trade dress leads to confusion in the minds of the consumer as to the source / origin of the goods and renders the two goods deceptively similar, especially in the case of unwary and gullible customers, it would

amount to passing off as well as infringement of the copyright in the packaging and there would be sufficient justification for restraining the defendant. In such cases, proof of actual confusion was not required. It was observed by the Supreme Court as under:-

> "9. It is therefore clear that in order to come to the conclusion whether one mark is deceptively similar to another, the broad and essential features of the two are to be considered. They should not be placed side by side to find out if there are any differences in the design and if so, whether they are of such character as to prevent one design from being mistaken for the other. It would be enough if the impugned mark bears such an overall similarity to the registered mark as would be likely to mislead a person usually dealing with one to accept the other if offered to him. In this case we find that the packets are practically of the same size, the colour scheme of the two wrappers is almost the same; the design on both though not identical bears such a close resemblance that one can easily be mistaken for the other. The essential features of both are that there is a girl with one arm raised and carrying something in the background there is a farm house with a fence. The word 'Glucose Biscuits' is one and 'Gluco Biscuits' on the other occupy a prominent place at the top with a good deal of similarity between the two writings. Anyone in our opinion who has a look at one of the packets today may easily mistake the other if shown on another day as being the same article which he had seen before. If one was not careful enough to note the peculiar features of the wrapper on the plaintiffs' goods, he might easily mistake the defendants' wrapper for the plaintiffs' if shown to him some time after he had seen the

> plaintiffs. After all, an ordinary purchaser is not gifted with the powers of observation of a Sherlock Holmes. We have therefore no doubt that the defendants' wrapper is deceptively similar to the plaintiffs' which was registered. We do not think it necessary to refer to the decisions referred to at the bar as in our view each case will have to be judged on its own features and it would be of no use to note on how many points there was similarity and in how many others there was absence of it."
>
> (emphasis supplied)

41)Learned counsel for the plaintiff also referred to judgment of Yves St Laurent Parfums & Anr. v. Louden Cosmetics Ltd., 39 IPR 11, which is a judgment of the High Court of New Zealand. Both the parties to the suit were manufacturers of different perfumes and the issue related to the infringement of trademark and passing off of the brand-names of different perfumes. It was observed as under :-

> "The plaintiffs allege that the defendant has used similar trade marks, get-up or packaging, smell or attributes individually or together or in any combination and have thereby caused the defendant's products to be passed off as and for products of or associated with or originating from or having the endorsement or approval of the plaintiffs. They also allege that the defendant has deceived or caused confusion of the public and by reason of all such conduct has caused and will continue to cause loss to the plaintiffs.
>
> The law of passing off protects reputation and goodwill by proscribing the misappropriation of it by another's misrepresentation. The proscribed activity

involves a misrepresentation made by a person in the course of trade to prospective consumers of the trader's goods or services, such misrepresentation being reasonably foreseeable as injurious to the business or goodwill of another trader and in fact damaging to the goodwill of the trader who sues. The nature of a relevant misrepresentation can vary. Often it takes the form of a representation that the goods being sold by the defendant are a plaintiff's goods. There may, however, be a representation that the goods being sold by the plaintiff are the defendant's goods, the calculated damage being the appropriation by the defendant of customs which would have gone to the plaintiff. An example is found in the case of *Bristol Conservatories Ltd. v. Conservatories Custom Built Ltd.* (1989) RPC 455. As the essence of the tort is damage to another's business or goodwill by a competitor's misrepresentation, the form of misrepresentation, the way in which it functions, may vary and yet be actionable. It is not necessary for a misrepresentation to be crass. It may be acute and involve a complex of mechanisms of misrepresentation. A representation may operate by invoking a recollection of a plaintiff's intellectual property, and in a number of ways, no single one of which may be compelling but the combination of which is effective. In the contemporary market, where products are advertised and promoted in ways which effectively use the qualities of electronic media, and plainly exploit modern knowledge of psychology and sociology, misrepresentations may relate to distinctive mental images and connotations in which a plaintiff has acquired a proprietary interest.

> "... the tort is no longer anchored, as in its early nineteenth century formulation, to the name or trade mark of a product or business. It is wide enough to encompass other

> descriptive material, such as slogans or visual images, which radio, television, or newspaper advertising campaigns can lead the market to associate with a plaintiff's product, provided always that such descriptive material has become part of the goodwill of the product.

Cadbury Schweepes v. Pub Squash Co. (1981) 1 All ER 213 at 218g; (1980) 32 ALR 387.

A relevant deception need not be intentional, but where it is logic may result in a finding that the premeditated conduct has succeeded: Cadbury Schweppes v. Pub Squash Co, supra, at All ER 221c; Slazenger & Sons v. Feltham & Co (1889) 6 RPC 531 at 538. In the present case, there was a deliberate policy of emulation of the names and get-up of designer fragrances and this policy has been practised for many years. That the policy has generally been successful is an inevitable conclusion. Further, it is not by mere coincidence but a foreseeable consequence of the design policy that retailers should apprehend and exploit the correlation between Constance Carroll's perfumes and the fragrances of the great designer houses.

I turn now to consider the second cause of action specifically in relation to the respective goods of the plaintiffs and the defendant. I do not think it necessary to add much to the comparisons of names and appearances considered earlier in this judgment.

Paris / Paradise

One need only look from one product to the other to be struck by the similarity which is the product of the nature of the goods (female perfumes), the names, and the combination of dusky pink, black and gold. In my opinion the

defendant's product appropriates the goodwill of the plaintiffs by suggesting an association of manufacturing origin between the two; and/or by associating itself with the promotional image of Paris as the fragrance promoted by pink and feminity; and/or by suggesting through the emulation of distinctive colours that Paradise is a less expensive variation of Paris; and/or by implying that the perfume called Paris and the perfume called Paradise are the same but sold by the defendant under the name Paradise; and/or merely by creating the opportunity for confusion in order to exploit it.

Any or any combination of these mechanisms of appropriation is enough in all the circumstances to entitle the plaintiffs to injunctive relief and damages or compensation. The passing off is achieved by combining a name which has similarities in its initial letters to Paris, the emotional delight evoked by both the words 'Paris' and 'Paradise', the soulfulness of that city and associations with heaven, and the calculated use of the colours of the Paris get-up.

Kouros / Kosmos

In view of the comparisons made earlier in this judgment, the evidence of the eyes, even the contrived election of the initial letter "K" for Cosmos, all that need be said is that the defendant's Kosmos is a blatant copy of the get-up of Kouros, with all the same types of appropriation of the goodwill of the plaintiffs as examined in connection with Paris and Paradise above. Kosmos is not impugned in the statement of claim but if it were it would succumb. The plaintiffs are entitled to the injunctive and pecuniary remedies.

Jazz / Java

Here again the plagiarism is obvious and deliberate. There is no association

between bold black and white in juxtaposition, including in respect of the letters, with the country people or culture of Java. Nor of course is the design of the Java package random coincidence. The juxtaposition of solid black and white panels, albeit triangular rather than rectangular, combined with the unusual placement by monochromatic contrast, emulates the colours, patterns, letters and general graphical characteristics of the get-up of Jazz and the images which are emphasised in the promotion of it. These has been a deliberate and successful attempt to emulate the distinctively created features and promotional image of Jazz, for the purpose of exploiting and replicated designs and impressions. The plaintiffs are entitled to injunctive and pecuniary remedies for the passing off.

Opium / Optimism / Optimist

As noted earlier in this judgment, Opium has a get-up which is deliberately and obviously Asian, and features colours of ochre, gold and navy. Optimism uses similar colours but its impression cannot reasonably be regarded as Asian or reminiscently Asian in its impression. The Collection 2000 variant, Optimist has leafy depictions reminiscent to a New Zealand eye of Polynesian palms, and the mixture of silver, navy and ochre is hardly evocative of the colours used in Opium. The plaintiffs cannot expect to stifle competition by seeking to preclude any other product which is vaguely but not confusingly similar. In respect of Opium the claim of passing off fails."

(emphasis supplied)

42)Learned counsel for the plaintiff contended that this rule apply even if the trade-names are different by reference to the judgment of learned Single Judge of this Court in Colgate Palmolive

Company & Anr. v. Anchor Health and Beauty Care Pvt. Ltd.,

2003 (27) PTC 478 (Del) wherein it was observed as under :-

> "52. It is the overall impression that customer gets as to the source and origin of the goods from visual impression of colour-combination, shape of the container, packaging, etc. If illiterate, unwary and gullible customer gets confused as to the source and origin of the goods which he has been using for longer period by way of getting the goods in a container having particular shape, colour combination and get-up, it amounts to passing off. In other words, if the first glance of the article without going into the minute details of the colour combination, get-up or layout appearing on the container and packaging gives the impression as to deceptive or near similarities in respect of these ingredients, it is a case of confusion and amounts to passing off one's own goods as those of the other with a view to encash upon the goodwill and reputation of the latter.
>
> 53. The plaintiffs have succeeded *prima facie* in showing from the look of trade dress of the two articles, one manufactured by the plaintiff and another by the defendant from the point of view of not only unwary, illiterate customer / servants of the household but semi-literate also as the trademarks. "Colgate" and "Anchor" are written in English language cannot be distinguished by ordinary customer of a country where bare literacy level is abysmally low. There is every likelihood of confusion as to the source on account of the similarity of substantial portion of the container having particular colour combination and also shape of the container which alone helps in determining the allegations of passing off despite stripes in the same colour or in different colour. The criteria is the overall impression from the look of packaging /

container containing the goods and articles that can legitimately injunct its rival. Such an action on the part of infringing party also has an element of unfair competition.

54. May be, no party can have monopoly over a particular colour but if there is substantial reproduction of the colour combination in the similar order either on the container or packing which over a period has been imprinted upon the minds of customers it certainly is liable to cause not only confusion but also dilution of distinctiveness of colour combination. Colour combination, get-up, layout and size of container is sort of trade dress which involves overall image of the product's features. There is a wide protection against imitation or deceptive similarities of trade dress as trade dress is the soul for identification of the goods as to its source and origin and as such is liable to cause confusion in the minds of unwary customers particularly those who have been using the produce over the long period.

55. The difference in the style of the words appearing on the container or packing identifying its manufacturers by way of style, colour combination or textures or graphics is certainly significant or relevant for determining the overall imitation of the container but if a product having distinctive colour combination, style, shape and texture has been in the market for decades as in this case it is in the market since 1951 it leads to ineluctable inference of having acquired secondary meaning on account of its reputation and goodwill earned at huge cost.

56. It is not the diligent or literate or conscious customer who always remain conscious to the quality of goods he has been purchasing which determines an offence of passing off. It is the unwary, illiterate and

> gullible persons who determine by arriving at a conclusion whether the infringed goods are confusingly similar in colour combination, get-up, layout printed over the container or packing. If it is not so then the offence of passing off will cease to have its existence once the guilty party chooses a different trade name."
>
> (emphasis supplied)

43)Learned counsel for the plaintiff further submitted that even if the defendants are not enjoined from using specific colours, they can be enjoined from using them in particular graphic display, which is confusingly similar to the logo format implied by the plaintiff. This plea really arises from the stand of the learned counsel for the defendants that the plaintiff cannot have copyright in specific colours, especially taking into consideration the nature of the product, e.g., incense with fragrance of sandalwood will be required to have a trade dress of sandalwood. In this behalf, learned counsel referred to judgment of the Court of Appeals, Ninth Circuit of U.S. in Vision Sports Inc. v. Melville Corp., 12 USPQ 2d 1740. In the said case, a judgment of the Court of Appeals, Fifth Circuit in Cf. Chevron Chem. Co. v. Voluntary Purchasing Groups, Inc., 21 USPQ 904 was quoted with approval where it was observed as under :-

> "(2) ... "protect the combination of particular hues of these colors, arranged in certain geometric designs, presented in conjunction with a particular style of printing,

in such fashion that, taken together, they create a distinctive visual impression. ..."

44)Another interesting observation made in the said judgment of Vision Sports Inc.'s case (supra) relates to the finding that a conscious imitation supports presumption that similarity will cause customer confusion. Likelihood of confusion in the trade dress context is evaluated by reference to the same factors used in the ordinary trademark context; strength of the trade dress, similarity between plaintiff's and defendant's trade dress, evidence of actual confusion, marketing channels used, type of goods and likely degree of purchaser care, and the defendant's intent in selecting its trade dress, The likelihood of confusion determination in trade dress cases must be made in the light of 'the total effect of the defendant's product and package on the eye of the ordinary purchaser'.

45)Learned counsel also advanced the proposition that while second comer will not be barred from making and selling the same product as the first comer, the second comer is under an obligation to name and dress his product in such a manner as to avoid all likely confusion. In this behalf, learned counsel referred to judgment of the Court of Appeals, Second Circuit in Harold F. Ritchie, Inc. v. Chesebrough-Pond's, Inc., 126 USPQ 310 where it was specifically observed that as under :-

> "Second comer has duty to so name and dress his product as to avoid all likelihood of consumers confusing it with product of first comer; although second comer may endeavour to capture first comer's market, he must do this by giving his product a name and dress descriptive and fanciful in its own right and selling it on its own merit, not by confusing public into mistakenly purchasing his product for competitor's; second comer must create reputation of his own and not trade on goodwill of another product already established at considerable cost and risk; important in determining whether second comer's entrance into market creates possible confusion is any evidence of conscious imitation of first comer's product.
>
> ... ...
>
> In determining whether there is confusing similarity, court should consider names of products in conjunction with similarity of presentation of products with respect to their design and general appearance, containers, tubes, price, size, smell and other nonfunctional aspects; admittedly there is nothing to prevent second comer from selling identical product of the first comer, providing second comer so names and dresses its product as to avoid all likely confusion; test has not been met where not only was there conscious imitation, but also actual confusion resulted from similarity of name and dress."
>
> (emphasis supplied)

46)The aforesaid judgment was referred to with approval in the judgment of Court of Appeals, Second Circuit in Perfect Fit Industries, Inc. v. Aeme Quilting Co., Inc., 205 USPQ 287.

47)Learned counsel for the defendants, on the other hand, has referred to the fact that the mark of the plaintiff is still

unregistered. It is, thus, contended that the action can only be one of passing off. In this behalf, learned counsel has referred to judgment of the Apex Court in American Home Products Corporation v. Mac Laboratories Pvt. Ltd. & Anr., AIR 1986 SC 137 where in 36, it was observed that the proprietor of an unregistered trademark whose mark is unauthorisedly used by another cannot sue for infringement of such trademark and his remedy only lies in bringing up of passing off action even though the same is an inconvenient remedy as compared to infringement action. This is so since in a passing off action, the plaintiff will have to prove that his mark has by user acquired such reputation as to become distinctive of the plaintiff's goods so that if it is used in relation to any goods of the kind dealt with by the plaintiff, it will be understood by the trade and public as meaning that the goods are the plaintiff's goods.

48) It was, thus, contended by learned counsel for the defendants that once the parameters of a passing off action are considered, the defendants in any case are entitled to escape liability if they can show that the added matter is sufficient to distinguish their goods from those of the plaintiff. In this behalf, learned counsel has referred to judgment of the Apex Court in Kaviraj Pandit Durga Dutt Sharma v. Navaratna Pharmaceutical Laboratories, AIR

1965 SC 980 where it was observed in para 28 as under :-

> "28. The other ground of objection that the findings are inconsistent really proceeds on an error in appreciating the basic differences between the causes of action and right to relief in suits for passing off and for infringement of a registered trade mark and in equating the essentials of a passing off action with those in respect of an action complaining of an infringement of a registered trade mark. We have already pointed out that the suit by the respondent complained both of an invasion of a statutory right under Section 21 in respect of a registered trade mark and also of a passing off by the use of the same mark. The finding in favour of the appellant to which the learned Counsel drew our attention was based upon dissimilarity of the packing in which the goods of the two parties were vended, the difference in the physical appearance of the two packets by reason of the variation in their colour and other features and their general getup together with the circumstances that the name and address of the manufactory of the appellant was prominently displayed on his packets and these features were also set out for negativing the respondent's claim that the appellant had passed off his goods as those of the respondent. These matters which are of the essence of the cause of action for relief on the ground of passing off play but a limited role in an action for infringement of a registered trade mark by the registered proprietor who has a statutory right to that mark and who has a statutory remedy in the event of the use by another of that mark or a colourable imitation thereof. While an action for passing off is a Common Law remedy being in substance an action for deceit, that is, a passing off by a person of his own goods as those of another, that is not the gist of an action for infringement. The action for infringement is a statutory remedy conferred on the registered proprietor of a registered trade mark for the

vindication of the exclusive right to the use of the trade mark in relation to those goods" (Vide Section 21 of the Act). The use by the defendant of the trade mark of the plaintiff is to essential in an action for passing off, but is the *sine qua non* in the case of an action for infringement. No doubt, where the evidence in respect passing off consists merely of the colourable use of a registered trade mark, the essential features of both the actions might coincide in the sense that what would be a colourable imitation of a trade mark in a passing off action would also be such in an action for infringement of the same trade mark. But there the correspondence between the two cases. In an action for infringement, the plaintiff must, no doubt, make out that the use of the defendant's mark is likely to deceive, but where the similarity between the plaintiff's and the defendant's mark is so close either visually, phonetically or otherwise and the Court reaches the conclusion that there is an imitation, no further evidence is required to establish that the plaintiff's rights are violated. Expressed in another way, if the essential features of the trade mark of the plaintiff have been adopted by the defendant, the fact that the get-up packing and other writing or marks on the goods or on the packets in which he offers his goods for sales show marked differences, or indicate clearly a trade origin different from that of the registered proprietor of the mark would be immaterial; whereas in the case of passing off, the defendant may escape liability if he can show that the added matter is sufficient to distinguish his goods from those of the plaintiff."

(emphasis supplied)

49)The Division Bench of this Court in M/s. Johnson & Johnson & Anr. v. Christine Hoden India (P) Ltd. & Anr., 1988 PTC 39 observed that the main question is not the intention of defendant

in using certain words, but the probable effect of such action on minds of the customer. Thus, colour scheme, lettering style, etc. become of significance.

50)Learned counsel for the defendants also strongly relied on the fact that the mark of the defendants is a composite mark LOTUS DIA and not merely DIA and, thus, the passing off action should be totally ruled out. In this behalf, learned counsel relied upon the judgment of learned Single Judge of this Court in Bharat Hotels Limited v. Unison Hotels Limited, 2004 (28) PTC 404 (Del). The matter in issue related to the use of the word 'GRAND' in respect of the hotel industry.

51)A reference was also made to the judgment of a learned Single Judge of this Court in Sunstar Lubricants Limited v. Federal Chemicals Industries, 1996 V AD (Delhi) 594 where an interim injunction was declined on the ground that there was no deceptive similarity between the trademark GOLDEN CRUISER 1200 and SUPER SUN CRUISER 2001. It may be noticed that the finding was arrived at on the basis that the two trademarks were phonetically different and the get-up and colour scheme of the boxes were entirely different.

52)Similarly, in Fitchetts Ltd. v. Loubet & Co. Ltd., (1919) 36 R.P.C. 296 Ch.D. in respect of soap and soap powder, the action

for infringement and passing off was rejected in respect of the two trademarks LITO and Y-TO as compared to RITO.

53)In Thomas A. Smith Ltd.'s Appln., (1913) 30 R.P.C. 363 Ch.D., the application for registration was allowed for collars and shirts under the trademark LIMIT and it was held not to be similar with SUMMIT.

54)Learned counsel for the defendants submitted that for establishing confusion and deception, overall impact has to be seen in entirety and not parts have to be picked up in isolation. Learned counsel referred to the judgment of Division Bench of this Court in Kellogg Company v. Pravin Kumar Bhadabhai, 1996 PTC (16) 187. The contention of similar get-up or trade dress was held not to be tenable. The dispute related to the plaintiff's sale of cornflake with cartons having the description inscribed as KELLOGG'S CORNFLAKE. The respondent was selling cornflake using a carton more or less similar in size, but with the title AMIS ARISTO CORN FLAKES written just at the place where the appellant's display the words KELLOG'S CORNFLAKE. The important aspect was in relation to the principles to be kept in mind in respect of confusion and deception. The Division Bench came to the conclusion that the principal of fading memory or imperfect recollection should not

be pressed too far and the goods in question sold to people belonging to middle class or upper middle class, who are fairly educated, has to be tested accordingly. It was held that there was no chance of deception. The Division Bench in para 10 while dealing with the aspect of trade dress observed as under :-

> "10. The law relating to 'trade dress' is very clear. Kerly in 'Law of Trade Marks' (12th Ed., 1986, para 16.67) says that it is usually true in some degree that a trader's goods are recognised by their general appearance, or 'get-up'. Accordingly, resemblance or 'get-up' is not uncommonly an ingredient in passing off and it is possible for imitation of get-up alone to amount to passing off. Such cases are rare, since few traders rely on get-up alone to distinguish their goods, so that trade names and word trade marks are ordinary present too;" and the author says :
>
> > " and in these days, in this country, a difference in names is enough to warn the public that they are getting one trader's goods and not the others" (Sapers v. Specters (1953)70 RPC 173)."
> >
> > (emphasis supplied)

55)In paras 15 to 23 of the judgment, the Division Bench referred to the judgment of the House of Lords in Schweppes Ld. v. Gibbens, (1905) 22 R.P.C. 601 as under:-

> "15. In *Schewappers Ltd. vs. Gibbens* (1905) 22 RPC, the appellant was selling Soda Water in bottles, with a neck label around then, the body of the label bring of chocolate colour with a white border and a red medallion in the centre of the label. The respondents, subsequently, sold soda water in bottles with a somewhat similar neck lable round them in

some colour and with a central red medallion. However, appellants' labels showed 'Scheweppe's soda water' printed on them in white characters while respondents' contained the name '*Gibbens Soda Water*'. Action by plaintiffs failed. It was held by the House of Lords that a *fraudulent intent cannot be presumed* in spite of the similarities in the bottles, labels colour and medallion because the distinguishing feature of name adopted by defendants showed that they had no intention to deceive purchasers. Lord Halsbury LC said :

> "I should have thought if you looked at the two bottles together no human being could have mistaken one for the other. If 'Royal' and 'Flag' were sufficiently distinctive in the case to which the learned counsel called our attention (Payton & Co. vs. Snelling Lampard & Co. (17 RPC 628), I should have thought 'Gibbens' and 'Schwappes' are equally impossible to be confounded with each other."

16. Lord Halsbury said it was '*ridiculous*' to apply the principle of similarity in trade-dress in such a situation. He said :

> "I can quite understand a case in which, although colourably a defendant has introduced his own name, yet the nautre of the wrapping up, the nature of the package itself, or, in this case, the share of the bottle, may all have been so closely imitated that the mere introduction of some distinctive mark to which no ordinary observer would have applied his mind, will not get rid of the obvious intention to pass one goods off as the other; but to apply the proposition to this case appears to me to be a little short of ridiculous.

17. It was held that the name of 'Gibbens' was so plainly placed upon the bottle as it could possibly be and it was in the place where 'Schweppes' was on the bottle of the appellant, and there was no intention to deceive.

18. The above case also answers the contention of fraudulent intent argued by the appellant's counsel before us. Similar views as to absence of fraudulent intent were expressed in *Schwappes Pty Ltd. v. The Pub-squash Co. Ltd.* also, to which we have already referred and which came from New South Wales before the Privy Council (1981) RP 429 (PC).

19. In the present case, in spite of any other close resembleness in the cartons, the name 'AIMS' written prominently on the respondents carton would, in our view, *prima facie*, as in case before Lord Halsbury show that there was no intention on the part of the defendant to play fraud by misrepresenting his goods as the goods of the applicant. In that very case, Lord Halsbury emphasised the need to see the whole description on the goods as one whole and not the individual features in isolation. He said :

> "Inasmuch as you and certainly not to impute fraud without proof, you are not to suggest that people are fraudulently committing some commercial trick without sufficient evidence, and *I cannot conceive here how anybody could gravely argue that the one thing could be mistaken for the other by anybody* who looked as it.
>
> The whole question is these cases is whether the thing - *taken in its entirety, looking at the whole thing,* is such that in the ordinary course of things a person with reasonable

apprehension and with proper eyesight would be deceived."

20. Thus the above case also lays down that the trade dress or rather the whole thing must be seen in its entirety and not parts in isolation. It is not permissible, therefore, to say that the square on the left side top had a small red nd green border or there was a red band horizontally and defendant's carton if examined from close quarters, showed these features. Viewed as a whole, one can see that the words Kelloggs' and AIMS are prominently displayed on each and therefore there can be no confusion, prima facie.

21. That brings us finally to the question of the failing memory of the customer. The argument is that customers have short memory and that if the trade dress is similar, the customers are likely to get confused.

22. It has now been held that there are limitations to the theory of imperfect memory. Halsbury's Laws of England (4th Ed.) (Vol. 8, para 139) says that this principle of imperfect recollection must not be pressed too far. It says:-

"The Tribunal must bear in mind that the marks will not normally be seen side by side and guard against the danger that a person seeing the new mark may think that it is the same as one he has seen before, or even that it is a new or associated mark of the proprietor of the formal mark. *However, the doctrine of imperfect recollection must not be pressed too far (Chappie Ltd.) v. Spratt's Patent Ltd. (1954) 71 RPC 455 at 457). Marks are often remembered by general impressions of by same essential feature (De*

cordova Vick Chemical Co. (1951) 68 RPC 106 (PC) at 289 (on appeal 71 RPC 348, CA).

23. In fact in Scheweppes Ltd. case above referred to, Lord Halsbury said "and if a person is so careless that he does not look, and does not, ... treats the label fairly but takes the bottle without sufficient consideration and without reading what is written very plainly indeed up - the face of the label on which the trade has placed his own name, then you certainly cannot say he is deceived - in fact, he does not care which it is. That would be the true interference which I think a person would draw from conduct so described."

(emphasis supplied)

56)The defendants also emphasised the fact that the plaintiff was not the owner of the copyright or the labels and cartons under The Copyright Act, 1957 in view of the provisions of Sections 14, 17 and 18 thereof.

57)The judgment of the Division Bench in Kellogg Company's csae (supra) generated further arguments as to whether it correctly reflected the position of law on this aspect, as referred to by learned counsel for the defendants. This controversy has arisen on account of the fact that the principles laid down in Kellogg Company's case (supra) were based on the dictum of Lord Halsbury in Schweppes Ld.'s case (supra) where in para 23 a reference was made to a customer who was so careless that he does not look and treats the label fairly, but takes the bottle

without sufficient consideration and without reading what is written very plainly. Such a customer was held not a person who would form the basis of a test for passing off. Learned counsel for the plaintiff submitted that this dictum was a departure from the settled law of the Apex Court in relation to passing off matters that the case of passing off has to be decided on the comparison of broad similarities and the test is always from the point of view of an unwary purchaser. Learned counsel contends that this judgment was impliedly overruled in view of the subsequent judgments of the Supreme Court.

58)In M/s. S.M. Dyechem Ltd. v. M/s. Cadbury (India) Ltd., AIR 2000 SC 2114, the dictum of Lord Halsbury was relied upon and it was laid down that in case of an infringement of passing off, the broad dissimilarities need to be compared. The comparing marks were of the plaintiff PICNIK and defendant PICNIC. Injunction was declined. It was observed in para 54 as under :-

> "53. As to scope of a buyer being deceived, in a passing off action, the following principles have to be borne in mind. Lord Romer, LJ has said in Payton & Co. v. Snelling Lampard & Co., (1990) 17 RPC 48 that it is a misconception to refer to the confusion that can be created upon an ignorant customer. The kind of customer that the Courts ought to think of in these cases is the customer who knows the distinguishing characteristics of the plaintiff's goods, those characteristics which distinguish his goods from other goods in the market so far

> as relates to general characteristics. If he does not know that, he is not a customer whose views can properly be regarded by the Court. (See the cases quoted in N.S. Thread & Co. v. Chadwick & Bros., AIR 1948 Madras 481, which was a passing off action). In Schweppes's case, Lord Halsbury said,if a person is so careless that he does not look and does not treat the label fairly but takes the bottle without sufficient consideration and without reading what is written very plainly indeed up the face of the label, you cannot say he is deceived."
>
> (emphasis supplied)

59)The aforesaid judgment of the Supreme Court in M/s. S.M. Dyechem Ltd.'s case (supra) was reviewed by the Apex Court in Cadila Health Care Ltd. v. Cadila Pharmaceuticals Ltd., AIR 2001 SC 1952. In the said judgment, it was observed as under :-

> "17. Our attention was drawn to a recent judgment of this Court in S.M. Dyechem Ltd. v. Cadbury (India) Ltd. (2000) 5 SCC 573 : 2000 AIR SCW 2172 : AIR 2000 SC 2114 : 2000 CLC 1338 where in a passing off action, the plaintiff, which was carrying on the business under the mark of 'Piknik', filed a suit for injunction against the defendant which was using the mark of 'Picnic" for some other chocolates sold by it. On the allegation that the defendant's mark was deceptively similar, the trial Court had issued an injunction which was reversed by the High Court. On appeal, the decision of the High Court was affirmed. On appeal, the decision of the High Court was affirmed. One of the questions, which this Court considered, was that for grant of temporary injunction, should the Court go by the principle of prima facie case, apart from balance of convenience, or comparative strength of the case of either parties or by

finding out if the plaintiff has raised a 'triable issue'. While considering various decisions on the point in issue, this Court rightly concluded at page 591 (of SCC) : at p. 2181 of AIR SCW; 2121 of AIR and 1348 of CLC (para 21) as follows :

> "Broadly, under our law as seen above, it can be said that stress is laid down on common features rather than on differences in essential features, except for a passing reference to a limited extent in one case."

Notwithstanding the aforesaid observations this Court in Dyechem's case (200 AIR SCW 2172 : AIR 2000 SC 2144 : 2000 CLC 1338) (para 35) (supra) proceeded to observe as follows :-

> "It appears to us that this Court did not have occasion to decide, as far as we are able to see, an issue where there were also differences in essential features nor to consider the extent to which the differences are to be given importance over similarities. Such a question has arisen in the present case and that is why we have referred to the principles of English Law relating to differences in essential features which principles, in our opinion, are equally applicable in our country."

18. We are unable to agree with the aforesaid observation in Dyechem's case (supra). As far as this Court is concerned, the decisions in the last four decades have clearly laid down that what has to be seen in the case of passing off action is the similarity between the competing marks and to determine whether there is likelihood of deception or causing confusion. This is evident from the decisions of this Court in the cases of National Sewing

Thread Co. Ltd.'s case (AIR 1953 SC 357) (supra), Com Products Refining Company's case (AIR 1960 SC 142) (supra), Amritdhara Pharmacy's case (AIR 1963 SC 449) (supra). Durga Dutt Sharma's case (AIR 1965 SC 980) (supra), Hoffmann-La Roche and Co. Ltd's case (AIR 1970 SC 2062) (Supra). Having come to the conclusion, in our opinion incorrectly, that the difference in essential features is relevant, this Court in Dyechem's case (supra) sought to examine the difference in the two marks 'Piknik' and 'Picnic'. It applied three tests, they being 1) is there any special aspect of the common feature which has been copied? 2) mode in which the parts are put together differently i.e. whether dissimilarity of the part or parts is enough to make the whole thing dissimilar and 3) whether when there are common elements, should one not pay more regard to the parts which are not common, while at the same time not disregarding the common parts? In examining the marks, keeping the aforesaid three tests in mind, it came to the conclusion, seeing the manner in which the two words were written and the peculiarity of the script and concluded that "the above three dissimilarities have to be given more importance than the phonetic similarity or the similarity in the use of the word PICNIC for PIKNIK.

19. With respect, we are unable to agree that the principle of phonetic similarly has to be jettisoned when the manner in which the competing words are written is different and the conclusion so arrived at is clearly contrary to the binding precedent of this Court in Amritdhara's case (AIR 1963 SC 449) (supra) where the phonetic similarity was applied by judging the two competing marks. Similarly, in Durga Dutt Sharma's case (AIR 1965 SC 980) (supra), it was observed that "in an action for infringement, the plaintiff must no doubt,

make out that the use of the defendant's mark is likely to deceive, but where the similarity between the plaintiff's and the defendant's mark is so close either visually, phonetically or otherwise and the Court reaches the conclusion that there is a imitation, no further evidence is required to establish that the plaintiffs rights are violated."

20. Lastly, in Dyechem's case (2000 AIR SCW 2172 : AIR 2000 SC 2114 : 2000 CLC 1338) (supra) it was observed in Para 54 (of SCC) : (Para 53 of AIR SCW, AIR CLC) as under :-

> "As to scope of a buyer being deceived, in a passing off action, the following principles have to be borne in mind. Lord Romer, L.J. has said in Payton and Co. v. Shelling, Lampard and Co., (1990) 17 RPC 48 that it is a misconception to refer to the confusion that can be created upon an ignorant customer that the Courts ought to think of in these cases is the customer who knows the distinguishing characteristics of the plaintiff's goods, those characteristics of the plaintiff's goods, those characteristics which distinguish his goods from other goods in the market so far as relates to general characteristics. If he does not know that, he is not a customer whose views can properly be regarded by the Court. (See the cases quoted in N.S. Thread and Co. v. Chadwick and Bros., AIR 1948 Madras 481 which was a passing off action.) In Schweppes Case (1905) 22 RPC 601 (HL) Lord Halsbury said, if a person is so careless that he does not look and does not treat the label fairly but takes the bottle without sufficient consideration and without reading

> what is written very plainly indeed up the face of the label, you cannot say he is deceived."
>
> These observations appear to us to be contrary to the decision of this Court in Amritdhara's case (AIR 1963 449) (supra) where it was observed that the products will be purchased by both villagers and townfolk, literate as well as illiterate and the question has to be approached from the point of view of a man of average intelligence and imperfect recollection. A trade may relate to goods largely sold to illiterate or badly educated persons. The purchaser in India cannot be equated with a purchaser of goods in England. While we agree that in trade mark matters, it is necessary to go into the question of comparable strength, the decision on merits in Dyechem's case, 2000 AIR SCW 2172 : AIR 2000 SC 2114 : 2000 CLC 1338) (supra) does not, in our opinion, lay down correct law and we hold accordingly."
>
> (emphasis supplied)

60)It was, thus, submitted by the learned counsel that the judgment based on the principle laid down by Lord Halsbury in Schweppes Ld.'s case (supra) would not hold good law in view of the fact that those very principles in Schweppes Ld.'s case (supra) are held not to be applicable in view of reconsideration of the issue in Cadila Health Care Ltd.'s case (supra).

61)The aforesaid submission is, of course, without prejudice to the stand of the plaintiff's counsel that, in the present case, there is absolute copying of the mark and get-up.

62)One other aspect, which has to be considered vis-a-vis Kellogg Company's case (supra) as also the issue of the class of purchaser, it was observed as under :-

> "24. Having dealt with the contention of imperfect memory of the customer, we shall now deal with the class of purchasers, which is also an important factor. Who are the persons who go to purchase 'Kelloggs' Corn flakes? Prima facie, in our opinion, these people belong to a middle-class or upper middle class and above who are fairly educated in English and are able to distinguish 'Kelloggs' and what is not 'Kelloggs'. In American Jurisprudence (2d) (Trade Marks) (Supp) para 19 (page 178) it is said that it is necessary to note the fact:
>
> > "that *customers* for fasteners are *sophisticated* and discerning, that defendant acted with good faith."
>
> 25. The case was one where customers were purchasers of fasteners in the automobile industry. (*Standard Pressed Steel Co. vs. Midwest Chrome Process Co. LDC III (US PU 106*".) Again Kerly, Law of Trademarks (12th ed. 1980) (para 1706) says that:
>
> > "If the goods are expensive and not of a kind usually selected without deliberation, and the customers generally educated persons, these are all matters to be considered (*Pianolist* (1906) 23 RPC 774: *Claudins Ash vs. Invica* (1911) 28 RPC 597; 29 RPC 465 (CA) (HL) (dentists), *Rysta* (1943) 60 RPC 87).
>
> 26. In *Pianolist's case* (1906) (23) RPC 774 an application was made for the registration as a trade mark of the word 'Neela' for 'piano player, being a musical instrument included in

class 9'. Coming to know of this application, the registered proprietors of the trade mark "Pianole" who were registered for all goods in class 9, opposed the above application for registration. The Registrar overruled the objection and ordered registration. On appeal, Justice Parker said that having regard to the kind of customers for such goods and the distinction in the names, there was not likely to be any confusion and dismissed the appeal.

27. If that was so between 'Neole' and 'Pianole', the case of Kellogg's and AIMS, in our prima facie view, presents no difficulty for distinct identification. Parker J. in fact observed in the above case:

> "Of course, one knows that the persons who buy these articles are generally persons of some education, ... my opinion is, having regard to the nature of the customer, the article in question and the price at which it is likely to be sold, and all the surrounding circumstances, no man of ordinary intelligence is likely to be deceived. ..."

28. We are, on the facts of the case before us, prima facie of the same opinion in regard to Kelloggs and AIMs. "

63)I have given a deep thought to these rival contentions.

64)It would be appropriate to first consider the parameters on which the alleged deception has to be. In this behalf, the judgment in Kellogg Company's case (supra) is extremely relevant. There has been reference made to Schweppes Ld.'s case (supra) to come to the conclusion that if a person is so careless that he does not look

and does not treat the label fairly, then he is not the person who would form the basis of the test. There is force in the contention of learned counsel for the plaintiff that the dictum in Kellogg Company's case (supra) to the extent it relied upon Schweppes Ld.'s case (supra) would not hold good in view of the subsequent development of law in M/s. S.M. Dyechem Ltd.'s case (supra) and the review thereof in Cadila Health Care Ltd.'s case (supra), the Apex Court while relying upon the observations in Schweppes Ld.'s case (supra) observed that if the customer does not distinguish the characteristics of the two packings, then he is not a customer whose view can properly be regarded by the Court. However in Cadila Health Care Ltd.'s case (supra), this very aspect was specifically considered. The Apex Court took note of the earlier judgments in this behalf and came to the conclusion that the decisions of the Apex Court in the last four decades preceding clearly laid down that what had to be seen in the case of a passing off action between the competing marks and the likelihood of deception or confusion. The Apex Court found that the principle of phonetic similarity cannot be jettisoned and in determining the test vis-a-vis the person who has to be kept in mind as a customer, the views expressed in Schweppes Ld.'s case (supra) were found to be contrary to the decision of the Apex

Court in Amritdhara Pharmacy v. Satya Gupta, AIR 1963 SC 449.

65)In Amritdhara Pharmacy's case (supra), the product was examined from the prospect of it being purchased by villagers and townfolk, literate as well as illiterate and, thus, the question has to be approached from the point of view of a man of average intelligence and imperfect recollection. A trade may be related to goods largely sold to illiterate or badly educated persons and the purchaser in India cannot be equated with a purchaser of goods in England.

66)The aspect, which is important, is the nature of the product. To this extent, apparently the views expressed in Kellogg Company's case (supra) were also based on this nature of product. As noticed above, the class of purchaser purchasing Kellog's Cornflakes were stated to be people belonging to the middle class or the upper middle class who are fairly educated in English. Such category of customers were categorised as sophisticated and discerning. The question remains whether the product in question in the present case being the agarbathies can be categorised as such. In my considered view, the answer would be an emphatic no. The very nature of product is such that it is bought not only by a sophisticate and discerning customer, but people from all walks of life. The use of such fragrance sticks is largely for the purposes

of pooja, but it is also used for other purposes of fragrance in the rooms, etc. The average customer is not one who will make a detailed scrutiny colour by colour, mark by mark to find out whether the product is of the plaintiff or the defendants. The profile of the customer will vary from the rich to the poor. It has also to be kept in mind that, in fact, the more discerning and rich customer may not even go to buy such a product himself, but would possibly dispatch the house-help to obtain the same. Thus, the factors which weighed in Kellogg Company's case (supra) would hardly apply to the present case.

67) It is in view of the aforesaid position that the two products have to be compared. There is some substance in the plea of learned counsel for the defendants that the plaintiff cannot have a monopoly on colours. This is so as in case of an agarbathi with sandal incense, naturally the colour of sandal or the pieces of sandal being shown on the container found form an essential ingredient. Similar position would be with rainbow. Of course, the stand of the plaintiff is that LAVENDER of the defendants is similar to RAINBOW of the plaintiff, while the defendants contend that LAVENDER itself would have a purple tinge of the colour. The NATURE'S GIFT of the plaintiff has a shade of green with a whitish mogra on it. The MOGRA of the defendants

is also green with larger number of mogras on it. In this behalf, the contention of the plaintiff is that if mogra is whitish, there was no reason to necessarily adopt the green colour. Similarly, in respect of ROSE, which is of different colours, there was no reason why the defendants should have taken the same pink colour as of the plaintiff.

68)The parameters laid down for such comparison have been set out in judgment of the Apex Court in Parle Products (P) Ltd.'s case (supra) for deciding whether one mark is deceptively similar to another, the broad and essential features of the two have to be considered. They are not to be placed side by side to find out differences in the designs and it would suffice if the mark bears an overall similarity to the mark. As pithily observed, an ordinary purchaser is not gifted with the powers of observation of Sherlock Holmes. However, this principle would not apply to mere colours. Colours are after all only certain hues.

69)The aspect of copyright in colours have been examined in a recent judgment of learned Single Judge of this Court in IA Nos.3412/2002 & 4489/2003 IN CS (OS) No. 672/2003 titled 'Colgate Palmolive Co. Limited & Anr. v. Mr. Patel & Anr.' decided on 06.10.2005. The colours in question were red and white colours of COLGATE. It was held that essential features of

the plaintiffs' mark were the word 'COLGATE' and red and white colour scheme taken together. In the said case, a reference was made to judgment of the Apex Court in Kaviraj Pandit Durga Dutt Sharma's case (supra) to emphasize that in case of passing off action, the defendant may escape liability if he can show that the added matter is sufficient to distinguish his case from those of the plaintiff. This would be different from the parameters and action for infringement of trademark. An interesting plea raised in Colgate Palmolive Co. Ltd.'s case (supra) was that the judgment in Ruston & Hornsby Ltd.'s case (supra) was *per incuriam* since the Court did not note its earlier judgment in Kaviraj Pandit Durga Dutt Sharma's case (supra). This plea was negated. Learned Single Judge referred to some judgments of the U.S. Courts in this behalf. It would be useful to refer to the observations made in Colgate Palmolive Co. Ltd.'s case (supra) in some detail. It was observed in the relevant paragraphs as under :-

> "33. While the law laid down in other common law jurisdictions such as the U.K. and U.S.A. is not binding on this Court but it can nevertheless furnish a useful guide for this Court. At this stage it is profitable to set out the following position of law laid down in Campbell Soup Co. Vs. Armor & Co. (81 USPQ 430):-
>
> at para 6 page 432, it was observed that
>
> "... It is worth the space involved to call attention to just what it is the plaintiff's

claim. Their suit here is based solely upon their claimed exclusive right to the use of red and white in packaging their food products. While their registration describes the red over white as a rectangular design, when the colours appear on their packages they appear in the form of an endless band which runs around the entire container. The Campbell red is not the same as the Carnation red. Indeed, the Camation red is not the same on all of its products, according to the sample labels offered in the plaintiff's exhibits. The red used by Armour is a specially blended color. The usual Armour Label is white over red instead of red over white, as the plaintiffs use the colour, but in some cases Armour uses red and white bands vertically.

What the plaintiffs are really asking for, then, is a right to the exclusive use of labels which are half red and half white for food products. If they may thus monopolize red in all of its shades the next manufacturer may monopolize orange in all its shades and the next yellow in the same way. Obviously, the list of colors will soon run out .."

(underlining supplied)

At para [8], it was observed :-

"That a man cannot acquire a trade mark by color alone has been stated a good many times in decisions and textbooks ....."

"... When we say that plaintiffs cannot have exclusive right to a trade mark of a red and white label, we are by no means denying their right to acquire a trade mark when the color is combined with other things in a distinctive design.

> As a matter of fact, the distinctiveness of plaintiff's packages does not depend upon colour alone, although each has been granted registration of a trade mark described in terms of color. Each has its name in one of the color bands in a uniform and specified type of script. Each has a very distinctive design on its label. Carnation has a small bouquet of carnation flowers. Campbell has a medallion of individual design, Armour, too, does not depend upon color alone. It uses different colors with different products and each has the Armour name in an individual type of script accompanied by the star which it says has been the mark of its goods over many years.
>
> "In denying the plaintiffs the exclusive use of color alone we are not passing upon the question whether they have acquired trade marks entitled to protection in the sum total of the combinations which make up their respective labels for their goods."
>
> (underlining supplied)

34. In order to counter the position of law laid down in Campbell Soup's case (supra) the plaintiff had relied on the judgment in the case of Master Distributors vs. Pako Corp., 25 USPQ2d 1794, wherein the following position of law was laid down:-

> "We are not persuaded by the three traditional arguments against protection – the color depletion theory, shade confusion, and the functionality doctrine. Nor are we impressed by the argument that "consistency and predictability" require a per se prohibition against trademark protection for color alone. We believe that not

allowing manufacturers to protect color marks when all the traditional requirements have been met will actually promote inconsistency and confusion.

Proponents of the color depletion theory assert that there are only a few possible colors a manufacturer can choose for a product, and allowing one manufacturer to monopolize one color "in all of its shades" will inhibit competition. Campbell Soup Co. v. Armour & Co.., 175 F.2d 795, 798 [81 USPQ 430] (3rd Cir.), cert. Denied, 338 U.S. 847 [83 USPQ 543] (1949). We agree that allowing a manufacturer to monopolize red "in all of its shades" would deplete the color choices available to other market participants. Allowing a manufacturer who has met all the normal requirements for obtaining trademark protection to protect a specific shade of color, however, is another matter....."

35. In my view, this judgment agrees with the Campbell Soup's case (supra) and in fact relates to shades of colours and not a particular colour. Even if this decision is held to take a view contrary to that in Campbell's soup's case (supra), I would prefer the reasoning laid down in Campbell's soup's case as it is more logical and appeals to this Court as it inhibits a chromatic monopoly.

36. In Life Savers Corp. v. Curtiss Candy Co., 85 USPQ 440, it was held as follows:-

"4. That a man cannot acquire a trade mark by color alone has been stated a good many times in decisions and text books." Campbell Soup Co., et al. v. Armour & Co., 3 Cir., 175 F.2d

795, 798 [81 USPQ 430, 433]. As a rule color cannot be monopolized to distinguish a product. Diamond Match Co. v. Saginaw Match Co., 6 Cir. 142 F. 727, 729, cert. Den.203 U.S. 589, Color is not subject to trade mark monopoly except in connection with some definite arbitrary symbol or design. James Heddon's Sons v. Millsite Steel & Wire Works, Inc., 128 F.2d 6, 9 [53 USPQ 579, 581-582]. In the Campbell Soup Co. case, supra, the court said (p. 798 [81 USPQ at 432]):

> "What the plaintiffs are really asking for, then, is a right to the exclusive use of labels which are half red and half white for food products. If they may thus monopolize red in all of its shades the next manufacturer may monopolize orange in all of its shades and the next yellow in the same way. Obviously, the list of colors will soon run out."
>
> (underlining supplied)

37. In GAF Corp. v. Ciba-Geigy Ltd., 184 USPQ 253, it was held as follows:-

> "[3] Applicant's cover is green, the entire cover is green. The overall application of color green to cover of a book lacks distinction. It is matter of common knowledge that covers of books are presented in overall colors and it is clear beyond per adventure that the color green of applicant's goods is not capable of distinguishing applicant's book as to origin from other books having green covers. Further, color is not subject to trademark exclusiveness except in connection with some definite arbitrary symbol or design. See : Life

> Savers Corporation v. the Curtiss Candy Company, 85 USPQ 440 (CA 7, 1950); Lucien Lelong, Inc. v. Lenel, Inc. et all., 85 USPQ 117 (CA 5, 1950); National Candle Company, Inc. v. Viscount Manufacturing Co., Inc., 130 USPQ 452 (DC NJ, 1961); Landis Machine Company v. Chaso Tool Company, Inc., 53 USPQ 200 (DC Mich., 1942); Neuhoff Brothers v. Oscar Mayer Packing Company, Inc., et. al, 98 USPQ 194 (DC Tex. 1953); Fram Corporation v. Boyd, 109 USPQ 4 (CA 5, 1956); Mershon Company v. Pachmayr, 105 UPSQ 4 (CA 9, 1955). Since applicant cannot acquire exclusiveness in a green colored cover for books, said color cannot be capable of distinguishing applicant's publication."
>
> (underlining supplied)

40. It is also worthwhile to quote Mccarthy on Trademarks where at para 7.44 it was observed as follows:-

> "Prior to the Supreme Court's 2000 Wal-Mart decision, some had read the Court's Qualitex opinion as not settling the issue of whether a single product color can ever be so unusual as to be "inherently distinctive" and hence protectable without proof of secondary meaning. However, in the author's opinion, the Court, albeit not in so many words, said that for this type of trademark or trade dress, a single color per se can never be classified as inherently distinctive and will always require proof of secondary meaning for protection and registration.
>
> This dispute came to an end when the U.S. Supreme Court in its Wal-Mart decision cleared up once and for all any lingering doubts about the rule in the

> Qualitex case. In Wal-Mart, the Supreme Court looked back to its previous decision and stated that in Qualitex, it had held that no single color can ever be inherently distinctive. Single color always requires proof of secondary meaning."
>
> (underlining supplied)

Thus, even in the U.S., the position of law is that colours per se cannot be claimed as trade marks. It has been consistently held that colour must combine with other things to acquire a distinctive design which may afford protection to the defendant.

41. In the book "Designer's guide to color' by James Stockton, it has been stated as follows:-

> "The many psychological aspects of color often seem more emotional and personal than scientific, the determining agreement in relation to colors is sometimes difficult. However, most people do agree that some color combinations imply heat and some cold, and that some cannote pleasure and other pain. Painters, and particularly the Impressionists, have relied on these ideas to produce dimension, form and mood. Red can be among other things, either a welcome or a warning, conveying either warmth or danger. The "voice" of a color depends largely on the colors that are placed next to it—the essence of this book.
>
> Roche Laboratory has developed an elaborate "spectrum of human emotions" color wheel. It is beautifully presented in Living by Design: Words and Pictures, by Pentagram (published by Lund Humphries, London, and the Whitney Library of Design, New York, 1978). Unchallenged, it assigns "reserved" to blue, "active" to red, and so on. Regardless of the absolute accuracy of these designations, that moods can be

evoked and manipulated by our historical and cultural associations with color is certain. Some combinations immediately evoke the 1950s, the military, the Federal period, and a feeling of the baroque. Generally, color can produce an appropriate setting, tone or mood for the subject at hand. This sort of color use is nowhere more powerful than in the theater, opera and ballet. On stage, color is seldom static; and constantly layered and shifting combinations of color and are carefully modulated and controlled can benefit an entire production. As in the print media, the trained and deliberate placement on stage of small areas of color contributes to the emotional impact of the larger piece."

(underlining supplied)

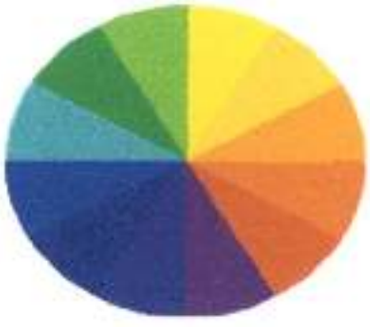
"Variations on Red

About 4000 years ago in the Orient people dabbed red clay on their lips to ward off unwanted spirits, and even in recent times some Asian fishermen have worn red loin cloths to ward off sharks; red has endowed with special charms. In fact, along with black and white red may be one of humankind's three basic colors, as defined by some anthropologists and ethnologists. White and red are associated with life activities; black usually indicates death, misfortune or evil, or simply opposition to white's yielding and acceptance and purity. As clearly in opposition as are black and white to North American eyes are red and white to people in other quarters of the world, and dichotomous red generally assumes the most active and overt role."

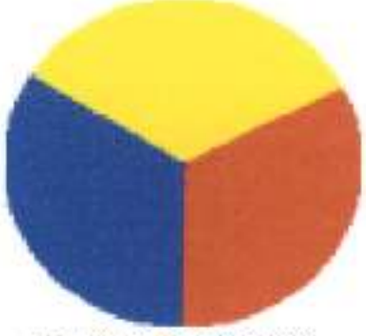
"Although it is an alternative way of getting your message across, you need more than just a broad swathe of colour. Malboro's brand is indicated by the red &

white chevrons, but without the shape. I am not sure how effective it could be. There is a stage when colour ceases to be ownable." (Jez. Frampton, Chief Executive of brand consulting Interbrand Http://ad-rag.com/114708.php)

The Color Wheel



A color circle, based on red, yellow and blue, is traditional in the field of art. Sir Isaac Newton developed the first circular diagram of colors in 1666. Since then scientists and artists have studied and designed numerous variations of this concept. Differences of opinion about the validity of one format over another continue to provoke debate. In reality, any color circle or color wheel which presents a logically arranged sequence of pure hues has merit.



PRIMARY COLORS
Red, yellow and blue
(Underlining supplied)

In traditional color theory, these are the 3 pigment colors that can not be mixed or formed by any combination of other colors. All other

colors are derived from these 3 hues.

[Source:http://www.colormatters.com/colortheory.html]

Primary colors

Primary Colors - red, blue and yellow. These colors can not be mixed from any other colors and are the starting point for every other color.

Primary Colors: The primary colors consist of 3 unique colors, red-yellow-blue. When mixing these 3 colors hues, at least in theory, all the other hues of the color wheel, including black can be created.

Color Associations:

Primaries red, blue, yellow. The ultimate contrast of hue and the greatest luminosity. Primaries express fundamental qualities, folk art, embroidery, costumes, etc. They are exuberant, decorative, tonic, vigorous, decisive.

(Underlining Supplied)

[Source:
http://www.artsparx.com/color_basicprinc.asp]

Our color wheel starts with the **3 primary colors**, placed in an equilateral triangle.

[Source:http://www.artsparx.com/colorwheel.asp]

42. The above texts and the colour diagrammes also indicate that the exclusivity and monopoly of a colour and a colour scheme is not favoured. Not only is the red colour one of the seven primary colours but it along with white and black colours has in fact been described as one of the three basic colours in nature. Furthermore, even though the colour combination of the registered mark indicates red and white, in essence the carton of the plaintiffs for which registration has been granted is entirely in red except the logo in the form of the word 'COLGATE' and other small ancillary words such as the price, quality etc. which are printed in white. It is this placement of small print in white containing the word 'COLGATE' in a small area placed on the back ground in red which contributes to the commercial impact of the plaintiff's carton in the market place and indeed gives exclusivity and distinctiveness to the plaintiff's mark. Thus, the mark COLGATE in white on a red background highlights the plaintiff's product and gives a distinct identity to the combination, and such a combine is certainly entitled to protection from not only passing off, but infringement too. However, I am also of the view that the red and white colour combination per se without the word/mark 'COLGATE' is not entitled to protection from infringement.

43. Thus, in so far as the plea of infringement of the registered mark of the plaintiffs by the defendant's mark is concerned, I am unable to come to a finding that in view of the aforesaid discussion, the plaintiff's mark can be said to have been infringed by the defendant's mark.

70)Learned Single Judge also considered the issue of passing off action and referred to judgment of the Apex Court in Cadila Health Care Ltd.'s case (supra) and some other judgments of this Court in paras 40 to 46 as under:-

"44. However, de hors the finding that there was no infringement of the plaintiff's registered mark by the defendant's mark, the plea of passing off is required to be considered on its own. The Hon'ble Supreme Court in Cadila Health Care Ltd. vs. Cadila Pharmaceuticals Limited, (2001) 5 SCC 73, laid down the following authoritative position of law in respect of tests for ascertaining passing off:-

> "35. Broadly stated, in an action for passing-off on the basis of unregistered trade mark generally for deciding the question of deceptive similarity the following factors to be considered:
>
> (a) The nature of the marks i.e. whether the marks are word marks or label marks or composite marks i.e. both words and label works.
>
> (b) The degree of resembleness between the marks, phonetically similar and hence similar in idea.
>
> (c) The nature of the goods in respect of which they are used as trade marks.
>
> (d) The similarity in the nature, character and performance of the goods of the rival traders.
>
> (e) The class of purchasers who are likely to buy the goods bearing the marks they require, on their education and intelligence and a degree of care they are likely to exercise in purchasing and/or using the goods.
>
> (f) The mode of purchasing the goods or placing orders for the goods.
>
> (g) Any other surrounding circumstances which may be relevant in the extent of dissimilarity between the competing marks.

> 36. Weightage to be given to each of the aforesaid factors depending upon facts of each case and the same weightage cannot be given to each factor in every case."

45. In AIR 1979 DEL 114, M/s Vicco Laboratories Bombay vs. M/s Hindustan Rimmer, Delhi, which on facts was rather similar to the present case, the following position of law was laid down by this Court in respect of two competing creams:-

> "13. The plaintiff's claim passing of by the defendants of their product as and for the product of the plaintiff's on the basis of copy of the distinctive get-up and colour scheme of the collapsible tubes and the cartons by them. The defendants are not entitled to represent their goods as being the goods of the plaintiffs. The two marks 'Vicco' and 'Cosmo' used by the plaintiffs and defendants respectively are no doubt different and the mark 'Cosmo' by itself is not likely to deceive but the entire get-up and the colour scheme of the tube and carton adopted by the plaintiffs and the defendants are identical in every detail and are likely to confuse and deceive the customer easily. The get-up and the colour scheme of the plaintiffs adopted in every detail by the defendants for their tube and carton cannot be said to have been adopted by the defendants unintentionally. Further the defendants allege that they started selling their product in the carton and tube in question from No. 1977 while the plaintiffs have been selling their product in the said carton and the tube since April, 1975. the suit was originally filed in Feb., 1978 at Bombay

and ex-parte injunction was granted on 29th August, 1978. The plaintiffs are prior users of their product in the carton and the tube."

46. It was also held by this Court as under in Colgate Palmolive Co. vs. Anchor Health and Beauty Care [2003(27) PTC 478 (Del)] :

> "54. May be, no party can have monopoly over a particular colour, but if there is substantial reproduction of the colour combination in the similar order either on the container or packing which over a period has been imprinted upon the minds of customers it certainly is liable to cause not only confusion but also dilution of distinctiveness of colour combination. Colour combination, get up, lay out and size of the container is sort of trade dress which involves overall image of the product's features. There is a wide protection against imitation or deceptive similarities of trade dress as trade dress is the soul for identification of the goods as to its source and origin and as such is liable to cause confusion in the mind of the unwary customers particularly, those who have been using the product over a long period."

71)The judgments of the U.S. Courts referred to above including Yves St Laurent Parfums's case (supra), Vision Sports Inc.'s case (supra), Cf. Chevron Chem. Co.'s case (supra), Harold F. Ritchie, Inc.'s case (supra) and Perfect Fit Industries, Inc.'s case (supra) also succinctly deal with the aspect of trademark, get-up and

packaging. It is the whole combination which has to be seen to come to the conclusion whether the same would liable to cause confusion to the average customer. Thus, though there may not be any right in any single colour, there can be use of combination of colours coupled with the mark and the manner of arrangement on the box / container, which would be of significance. Thus, in Harold F. Ritchie, Inc.'s case (supra), it was held that the second comer has a duty to so name and dress his product as to avoid all likelihood of confusion amongst the consumers. The important test is whether there is any evidence of conscious imitation of the first comer's product. The plaintiff is certainly the first comer, though there is some dispute about the date/year from which the sales have proceeded. This Court, thus, has to consider the names of the products in conjunction with similarity of presentation of products with respect to the design and general appearance, container, tubes, price, etc. Thus, what is not important is the exclusive use of a particular colour, but the use of colour in a particular graphic display in a logo format, which may cause confusion.

72)It is in the aforesaid context that a mere prefix or suffix would certainly not suffice, but the mark has to be seen as a whole. The judgments of the Apex Court in Ruston & Hornsby Ltd.'s case

(supra) and Parle Products (P) Ltd.'s case (supra) may be usefully referred to for this purpose.

73)There is no doubt that the word LOTUS is used as a prefix by the defendants. However, what is of significance is the manner of placement of LOTUS. The font is smaller and less significant. The significance is on the word 'DIA'. The font used for writing DIA is similar to the one used in writing LIA. It is similarly underlined in the same style of a curve-line underneath. As stated above, though the word 'LIA' has two dots below the line, it is not that each feature has to be seen with the magnifying glass. It is the overall impact which has to be considered.

74)Interestingly, defendants have admittedly applied subsequently for registration of the mark DIA and not LOTUS DIA. The essential ingredient feature of the mark is DIA and not LOTUS DIA. It is not just a case of phonetic similarity, a prefix being added, a similar colour scheme, similar packaging with certain endorsement, but all these aspects taken collectively to see the import of the trade dress used by the plaintiff and the defendants. If each individual feature is taken into consideration, maybe there would be some minor differences. However, that is not material.

75)A perusal of the boxes show that the colour scheme has a pattern, though the colours in its hues may vary slightly. They have a

pastel base with softening to whitish towards the centre of the box and again going up to a darker colour. The NATURE'S GIFT LIA has a mogra flower. The defendants have adopted mogra flower to sell the MOGRA incense sticks. Mogra is of a whitish colour and if the object is to give an indication of the nature of incense, it was certainly not necessarily to use only green colour. Similarly, for the rose, it is the pink colour. It is not only an aspect of imitation of one particular colour scheme or fragrance, it is the series of such six packages which has been adopted. In such a case, the object of the defendants itself appears to be to mislead the customer into believing that the product is of the plaintiff or at least has some connection with the product of the plaintiff.

76)The defendants are primarily based in the North, yet they have chosen to inscribe on the side of the box with vernacular scripts of Devnagri, Tamil, Kannada and Telugu in the same pattern. At the cost of repetition, it may be emphasized that this factor alone is not relevant, but is coupled with the other factors discussed above. Even the address indicated of the defendants was not found to be correct, but was given of the person who was doing work for the defendants on job-work basis. The address of the plaintiff was at Mysore while that of the defendants was given at Bangalore.

77)The overall visual impression from the colour scheme, the arrangement of the mark, the style of writing of the mark, the general get-up and trade dress leads to the conclusion that there is a clear attempt on the part of the defendants to pass off their goods as that of the plaintiff and, thus, the test laid in Parle Products (P) Ltd.'s case (supra) is clearly satisfied. The ingredients of a passing off action have been very succinctly set out in Yves St Laurent Parfums's case (supra), which sets out that a misrepresentation need not to be crass, but may involve a complex mechanism of misrepresentation. Thus, the representation may operate in a number of ways, no single one of which may be compelling but a combination of which is effective. This is the position in the present case. One only needs to look at two products side by side to see the striking similarity in various combination of factors. It is the overall impression that a customer gets to the source and origin of the goods from visual impression of colour combination, packaging and the get-up, which is of relevance and if an unwary and gullible customer gets confused, it amounts to a passing off as set out in Colgate Palmolive Co. Ltd.'s case (supra). No doubt, there is no monopoly in colour combinations, but what is relevant in the present case is that there is substantial reproduction of the colour

combination in a similar pattern in each packet and there are similar six series of packets. The defendants being the second comers owed a duty to name and dress their product in such a manner as to avoid all likelihood of consumers confusing it with the product of the first comer [Harold F. Ritchie, Inc.'s case (supra)].

78)A result of the comparison of six containers shows that there is similarity in colour pattern, phonetic similarity in the trade-name, the use of colours in a particular pattern - whiteness towards the centre and again darker colour at the base and the top, writing on Devnagri and other scripts in a similar fashion, which leaves little doubt about the motive of the defendants. The packaging is identical and so is the pricing. If all these factors are taken into account, I have no doubt that the clear object of the defendants was to deceive the unsuspecting customers, who come from various stratas of society and are not a discerning customers.

79)The plaintiff has given detailed figures of its sales under this particular brand-name and colour scheme. The artistic work of the plaintiff was registered. The turnover for the range of products for the financial year of 2002-2003 is Rs.243.67 Lakhs and for the financial year of 2003-2004 is Rs.413.7 Lakhs. This is duly supported by the Chartered Accounts' certificate. As against

this, the defendants claim sales for the financial year of 2003-2004 of Rs.5.75 Lakhs and for the first five months of the financial year of 2004-2005 of Rs.10.15 Lakhs.

80)For all aforesaid reasons, Issues No. 2 and 3 are answered in favour of the plaintiff and against the defendants.

81)The aforesaid findings, thus, show that the defendants' packaging is identical or deceptively similar to that of the plaintiff and the defendants are attempting to pass off their product as that of the plaintiff.

ISSUE NO.4 :	Whether the plaintiff is guilty of suppressing material facts and making false statements and to what effect?

82)Issue No. 4 relates to the claim of the defendants that the plaintiff is guilty of suppression of material facts in respect of the date from which its sales started. No sales figure of 2001 onwards have been given and before the Registering Authority, the application shows sales from 2002. Thus, the claim of user since 2001 has been falsely made. I am of the considered view that nothing much turns on this since the plaintiff is the prior user and figures have been given from 2003-2004 onwards. The plaintiff may have begun the process in 2001 and applied for registration in 2004. Thus, the issue is answered in favour of the plaintiff.

ISSUE NO. 5	Whether the defendants have honestly adopted and used his subject matter trademark since 2003 in relation to incense sticks (agarbathies) and to what effect?

ISSUE NO. 6	Whether the defendants, in the alternative, are entitled to benefit of honest and concurrent users and to what effect?

83)Issues No. 5 and 6 are linked since they arise from the claim of defendants having honestly adopted and used his subject matter trademark since 2003 or at least be entitled to benefit of honest concurrent user. The findings arrived at in respect of Issues No. 2 and 3 show that the defendants have, in fact, deliberately attempted to pass off their goods as that of the plaintiff and if all the features are taken together, it is a clear case of deception. Thus, the defence of honest concurrent use can hardly be said to be available to the defendants. Thus, Issues No. 5 and 6 are answered against the defendants.

ISSUE NO. 7	Whether the suit is barred by delay, acquiescence, laches, estoppel and waiver?

84)Issue No. 7 relates to the bar on account of delay, acquiescence, laches, estoppel and waiver. The defendants have really not even advanced any submissions on this aspect. The written synopsis of defendants, in fact, does not even refer to this aspect and even on

the facts, such a case can hardly be made out. Thus, the issue is answered against the defendants.

ISSUE NO. 8	Relief.

85)The question now arises as to what is the relief to which the plaintiff would be entitled to in view of the fact that the relief of damages has already been given up. It has to be kept in mind that the defendants are not to be precluded from using a particular colour or a mark, but the total get-up and trade dress of the plaintiff and the defendants being similar, the defendants cannot be permitted to manufacture and sell agarbathies / incense sticks in the packaging as is being done at present.

86)The plaintiff is, thus, entitled to a decree of permanent injunction against the defendants or anyone acting under the defendants or its retailers, stockists, agents, etc. from in any manner manufacturing or selling agarbathies / incense sticks in the offending packaging under the trade-name DIA and the colour scheme of the packaging or in any manner in packaging, which are substantial reproduction of the packaging of the plaintiff. The decree would, thus, operate in respect of the offending packaging in question or any deceptively similar packaging to that of the plaintiff sold under the trade-name LIA and the manner of the representation of colour schemes in the range of the products.

87)The plaintiff shall also be entitled to costs.

88)Decree-sheet be drawn up accordingly.

December 02, 2005
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SANJAY KISHAN KAUL, J.